## **REMARKS**

The rejections and comments of the Examiner set forth in the First Office Action dated May 19, 1999 have been carefully reviewed by the Applicants. In response, Applicants have amended the claims. Applicants respectfully request the Examiner to consider and allow the amended claims.

Claims 1-17 stand rejected under 35 U.S.C. §112, second paragraph, as being indefinite. Accordingly, Applicants have amended these claims to more particularly and distinctly claim the present invention.

Claims 1-3, 5-10 and 12-16 stand rejected under 35 U.S.C. §102(e) as being anticipated by Hathaway et al. (U.S. Patent No. 5,757,657). The Hathaway reference pertains to an adaptive incremental placement process of circuits on a VLSI chip. The partitioning step, as cited by the Examiner, in the Hathaway reference (see column 2, lines 39-45) is performed in the second step of performing "an initial placement of the circuits in a specified area." The cited "partitioning" step is performed before the cell is changed (see step 5 "accepting list of changes in specification"). In contrast, the present invention performs the partitioning step after the changes to the netlist have been effected. Thus, Applicants respectfully submit that Hathaway does not teach or suggest the present invention.

Claims 4, 11 and 17 stand rejected under 35 U.S.C. §103(a) as being obvious over Hathaway et al. in view of applicant's specification. Applicants respectfully submit that these claims depend from independent claims and include the

limitations recited therein. Therefore, Applicants respectfully submit that these claims are allowable as being dependent on allowable independent claims.

It is respectfully submitted that all claims are now in condition for allowance and such action is earnestly solicited by the Applicants.

If there are any additional charges, please charge them to our Deposit Account Number 23-0085.

Respectfully submitted,

WAGNER, MURABITO & HAO

Date:  $\frac{8/3}{}$ , 1999

James P. Hao

Registration Number:

36,398

WAGNER, MURABITO & HAO

Two North Market Street

Third Floor

San Jose, CA 95113